

## Blue Hill Co-op Board Meeting Minutes

Tuesday, August 19, 2008 6:30-9:00PM Blue Hill Library

### Attending

Gail Bartlett, Marianne Vandiver, Deborah Wiggs, Steve Benson, Lucy Benjamin, Bob Sullivan, Becky McCall, Ruth Fiske, Erich Reed, Karen Doherty (General Manager), Heather Albert-Knopp (owner/minutes-taker)

### Previous Month's Minutes

**Minutes of the June 2008 meeting were approved.**

**Minutes of the July 2008 meeting were approved with revisions.**

### Time Allotted to Owners

No owners that are not board members appeared to speak.

### Communicating with Owners

Steve led a discussion on communicating and engaging with owners. Discussion included the following topics: clarifying the goals of communications with owners; collaborative problem-solving and communications when people have different perspectives; methods of communication including website, newsletter, bulletin boards, discussions with small groups, surveys, forums and annual meetings; strategies for getting more ongoing communications from owners to the Board including website "questions for the Board" link, in-store Board questions box with questions discussed at Board meetings and answered in newsletters, and regular Board member "loitering" in the store to interact with owners and get feedback on issues facing the Board. The group also discussed the importance of discussions to bring owners up-to-speed on Board's thinking about high-interest issues like discounts.

### Store Budget for Next Fiscal Year

Karen shared the projected budget for the 2009 fiscal year. Projected profit is 1.1%. Board mandate to GM is at least 1% profit. Wages are projected to be 29% of budget, an 18.25% increase over last year; co-op industry standard is 22-23%. Increase in wages takes into account new or expanded managerial positions in the front end, café and membership/marketing. To address increased costs, store can increase sales or increase efficiency. Space limitations in the current store make this challenging. Karen is enthusiastic about initiating a feasibility study for a new store. The costs of the feasibility study could bring the profit below 1%, which is allowable with Board approval. **Karen will provide email and printed copies of the budget to Board members prior to next meeting, with information about the basis for sales increase projections and an executive summary of budget changes between FY '08 and '09.** Budget review will continue at next month's meeting.

### Feasibility Study

Karen submitted a proposal to contract with Debbie Suassuna of CDS (Cooperative Development Services) to conduct a market study as Phase One in assessing the feasibility of moving the co-op to a different location. The market study would cost \$10,200. If the market study indicates that a new store is feasible, Phase Two of the feasibility study would include developing a business plan and hiring a project manager and would cost approximately \$20,000. The Board is in support of a Phase One feasibility study. Before selecting someone to conduct the study, **Karen will provide the Board with the following information: a sample market study report from Debbie; references; alternative options available through the NCGA**

**(National Cooperative Grocers Association); whether consultant would fine-tune the study methodology based on our feedback to gather information pertinent to our unique situation; whether the study will consider the current economic climate and our position at the end of the supply chain; more information about Phase Two of the study including content, cost, and possible consultants; percent of stores that she has advised to expand vs. not expand; possibility of having a telephone Q&A with candidate(s).** Board would like 2-3 candidates to choose from. Consideration of the proposal will continue at next month's meeting.

#### Policy B-2 Revision (Role of President)

Steve and Gail submitted a revision of B2, which reorganizes the policy, removes the suggestion that the president has more role with finances than other board members, and deletes mention of "orders and resolutions". **Board approves the policy revision of B2.**

#### Select a Time for Annual Meeting Skit Rehearsal

Board members who will participate in the skit: Steve, Deborah, Marianne, Ruth, Erich, Becky. Phil Norris and David Vandiver were also volunteered. Rehearsal set for September 9<sup>th</sup> at 5:30 at Becky's house. Lucy will provide sandwiches.

#### Monitoring Reports

##### *D2 Budgeting and Financial Planning*

**Board accepts revised monitoring report D2.**

##### *D1 Financial Conditions*

**Board accepts monitoring report D1. D1 report is in compliance.**

#### Manager's Report

Karen asked whether to continue using newly hired employee's names in report – Board said yes. Eileen (Membership & Marketing Coordinator) is organizing details for the Annual Meeting. Karen circulated the Annual Meeting expenses. Budgeted cost originally: \$1000; estimated actual cost: \$1150. \$100 donation was received. There will be a performance by Ngoma (an African drumming band), three chowders will be served for dinner, and door prizes donated by many local businesses. **Keynote speaker ideas should be forwarded to Eileen.** Annual meeting will take place at Halcyon Grange in North Blue Hill.

#### Working Owner Research Report

Gail and Marianne have been researching the details of Department of Labor audits of co-ops that have working owner programs. Of the eight that have been audited, one has argued successfully to keep its working owner program. The law appears to be inconclusive, but there is some legal vulnerability. Laws in some states (Vermont?) may sanction working owner programs. Among Maine co-ops, Rising Tide in Damariscotta discontinued their working owner program by a vote of the owners; Belfast is reinstating their program; other two smaller co-ops have active programs. **Gail and Marianne will look into getting legal advice and will continue research.** Could also ask Jim Schatz about Maine law, possibility to influence a change. Will need to educate owners about the issue.

#### Next Month's Agenda

Executive session for GM compensation and to approve minutes for last executive session; Monitoring Ends Policies A1-A8 (Karen); Policy B1 (Gail); Determine moderator for annual meeting; Schedule board training for fall; Board evaluation; Store budget 09 (Karen); Feasibility

study proposal (Karen); Working owner report continuation (Gail & Marianne); Prep for fielding questions at the annual meeting (Gail)

Next Meeting is September 9, from 6:30 – 9:00 PM

Respectfully Submitted, Heather Albert-Knopp